

During a potluck organized by some Co-op Owners and community organizers supporting UFCW Local 1473 organizing efforts at our Willy West location, a flier was circulated with a series of claims about the Co-op's operations. The flier requests that interested parties who support the UFCW Local 1473 organizing efforts attend the next Co-op Board meeting to address the talking points in the flier. Staff has also asked the management to address these claims. Here is what the brochure says (in bold italics) and management's responses to those claims.

Please plan to attend the next Willy Street Co-op Board meeting with us to call for management neutrality during the upcoming union vote:

Willy Street Co-op Board meeting

Tuesday, January 20 6:30-8:30pm

Central Office 1457 E. Washington Ave. (old WERC office, off the Yahara River path, red brick building)

Community supporters are concerned to hear reports of the following problems from Willy Street Co-op workers:

Scheduling Problems

- ***Recently, new policies were adopted to end schedules that compel working seven days in a row, or "clopenings" (closing the store, and returning less than 12 hours later to work an opening shift). Without enforcement of these policies however, the practices continue.***

On October 16, employees representing staff on the employee council unanimously passed two proposals submitted by employees to address scheduling staff seven days in a row, and eliminating mandatory "clopens" (scheduling staff for shifts with fewer than 12 hours off work in between shifts). The solutions that came from the proposals have now been added to our Personnel Manual. The manual may only be changed with advance notice and Employee Council recommendation.

Per Section IV:N of the Personnel Manual-Scheduling Policy:

"Work schedules must be posted a minimum of one week before the first day on the schedule. If a manager is going to change something on a schedule after it is posted, they must ask affected staff of the change and get their written or verbal consent.

"Managers may not mandate a schedule that includes shifts with fewer than 12 hours off of work in between shifts. Staff who wish to, may be scheduled for shifts with fewer than 12 hours in between.

"Managers may not mandate a schedule of 7 consecutive days in a row. Staff who wish to, may be scheduled for 7 consecutive days in a row.

“The schedule request form will be filled out at the time of hire. This form can be amended at any time, and will result in any necessary schedule changes within 30 days of receipt of form.”

Upon passage of those proposals, the Co-op’s Human Resources (HR) department had two weeks to distribute the schedule request form and managers were given two weeks to allow all existing employees to complete and return the forms. The forms allow the employee to let the manager know whether or not the employee consents for the manager to schedule the employee for seven consecutive days and/or “clopens” anytime, never, or sometimes upon request. Implementation of policy was scheduled by the Employee Council to begin December 3. Since implementation, neither management nor HR have received any feedback that any supervisors have violated the agreements they made with individual employees regarding scheduling per the new policies.

- ***A worker can get assurances of a certain number of hours a week but the schedule can fall short, jeopardizing the worker’s eligibility for health insurance through the Affordable Health Care Act.***

Willy Street Co-op’s healthcare benefits are not provided through the Affordable Healthcare Act, and status of employment or hours worked is not a factor in a person’s eligibility to receive healthcare options through the Affordable Healthcare Act marketplace. Willy Street Co-op has been providing healthcare benefits for many years. Eligibility for healthcare benefits is not based on number of hours worked at the Co-op, it is based on total hours scheduled to work. Human Resources reviews every employee’s weekly average of hours worked quarterly. Managers with staff whose average weekly hours worked in a given quarter fall below the eligibility limits are given notice that either the manager has to change the staff person’s scheduled hours to work or make sure that they are working enough hours per week on average moving forward to remain eligible.

Per Section III:H of the Personnel Manual-Health Insurance/Coverage:

“Employees regularly scheduled for 24+ hours per week at the Co-op may choose either the medical insurance group plan or the Health Reimbursement Account (HRA). The medical insurance group plan providers, which include dental and health coverage, are selected on an annual basis.

<i>Regularly scheduled hours</i>	<i>Coverage available</i>
<i>0 up to 23.99</i>	<i>= no coverage</i>
<i>24 up to 31.99</i>	<i>= Co-op pays half the premium, employee pays half the premium</i>
<i>32+</i>	<i>= Co-op pays the full premium, less variable CostShare*</i>

*“*CostShare amount is determined on an annual basis; not to exceed 2% of full-time entry level wage*

“Health Reimbursement Account (HRA): Money the Co-op pays to qualified employees to reimburse them for their personal out of pocket vision and dental expenses or those expenses incurred by their eligible dependent(s) or spouse, in accordance with HRA regulations.

<i>Regularly scheduled hours</i>	<i>Coverage available</i>
<i>0 up to 23.99</i>	<i>None.</i>
<i>24 up to 31.99</i>	<i>Accrual is valued at half the amount of full time health and dental premiums, less administrative fees.</i>
<i>32+</i>	<i>Accrual is valued at the full amount for full time health and dental insurance, less CostShare and administrative fee.</i>

“Employees covered under the medical insurance group plan, also have the option of paying for medical insurance for their partners and/or dependent children through monthly payroll deductions.

“Insurance benefits are effective 90 days from hire date. HRA allocations begin 90 days after hire date. Staff who have their 90th day between the 1st and the 15th of the months will receive 2 contributions for the qualified month. Staff who have their 90th day between the 16th and end of the month will receive 1 contribution for the qualified month.

“Health and dental insurance coverage or HRA benefits typically do not go into effect until after 90 days of employment; however, exceptions may be made by the GM.”

Per Section III:I of the Personnel Manual-Medical Coverage for Personal Leave and Termination:

“If an employee takes a personal leave of absence, falls below the minimum required hours for insurance, or leaves the Co-op, his medical benefits can be extended through COBRA (a state and federal law) for up to 18-36 months, if he makes written arrangements with the HR Manager to cover their cost.”

All employees are also eligible to create a Flexible Spending Account (FSA).

Unfairness

- ***Alleged work rule violations that are not substantiated in a mediation session can still result in discipline for the worker.***

Grounds for disciplinary action at the Co-op fall into two categories: misconduct and unsatisfactory work performance. The Co-op utilizes a progressive disciplinary process for the majority of alleged work rule violations, noting the the Co-op reserves the right in severe cases of misconduct to proceed directly to job termination if circumstances warrant. The progressive process prescribed by the Personnel Manual is summarized in the following steps:

1. Training review, signed by the manager and employee, kept on file.
2. Written warning, with consent of general manager or store manager, signed by the manager and employee, kept on file.
3. Probation period, specifying duration, expected results/changes/actions, scheduled progress reviews, and a final review upon completion of the probation period. Employee may be eligible to continue to receive written warnings regarding performance during this time.
4. Return to regular status of employment, extended probation period, or termination.

By Employee Rights established in the Personnel Manual, a grievance procedure is available to employees who have successfully passed their training period. Per the Co-op's Personnel Manual:

"Grievances can be filed for cases of disciplinary action where an employee believes:

- *The existing policy has been violated.*
- *The situation is one for which no written policy exists and management has taken action without precedent.*
- *The fairness of the disciplinary action policy itself is called into question.*

"Cases that don't fall into one of these three categories are not eligible for appeal to the Grievance Committee.

"Decisions to fire or suspend employees remain in effect while being appealed..."

"If an employee disagrees with his supervisor's or a management decision that affects his job, he is first expected to take the problem directly to the person who made the decision. The grievance procedure exists as a last resort to deal with claims of unfair treatment. All employees who have passed their training period have the right to file grievance without fear of reprisal."

Within the last 15 years, fewer than five staff members have opted to use the grievance procedure to resolve workplace matters. Occasionally, managers or employees will ask HR to mediate during various steps of the discipline process.

- ***Qualified internal candidates are not always considered for openings when outside candidates are considered.***

Per Section V:B of the Personnel Manual-Hiring Policy:

“HR will post all non-entry level job openings for at least one week before they are filled, with exceptions made in extreme circumstances by the General Manager. Announcements will also be sent to employees laid off within the last year. Qualified applicants may be hired from within or may be considered with outside applicants simultaneously. Applicants for a position within any department into which they've been officially hired and given regular (non-sub) hours are not required to be interviewed. Applicants outside the department will only be interviewed if no applicant inside the department is offered the position. The equal opportunity policy will be observed in all hiring decisions.”

We require two people to be present at interviews for all jobs above entry-level: the hiring manager and then typically their assistant manager or HR. All management-level hires require the input of a larger hiring committee.

To our knowledge management has followed these policies; employees who feel differently are encouraged to let HR know the specifics of their concerns.

- ***Management sometimes gives favored workers jobs that pay more instead of using objective criteria to fill these positions.***

The Human Resources department screens applications for qualifications and submits to managers candidate recommendations for interview. Hiring managers are required to work with HR to develop standardized questions to ask all candidates for positions available (follow-up questions from both the candidate and the hiring manager are allowed). All answers to questions are logged in a database for review and files. The Personnel Manual has language included outlining policy and the expectations pertaining to objectivity regarding workplace nepotism and favoritism. The goal for all managers is to find the best candidates possible to work for the Co-op. Training regarding hiring practice and expectations during the orientation period and ongoing support is provided to all hiring managers by HR. If an employee believes that favoritism has taken place, they are encouraged to contact HR and follow the grievance procedure if they feel that the response is unsatisfactory.

- ***Work rules should be applied consistently to all workers.***

We agree. The Personnel Manual defines the rights and responsibilities of all Co-op employees, which, by the Personnel Manual's definition includes all paid staff of the Co-op, including those in management positions. Board Policy B1 requires the General Manager to

uphold those standards. Specific expectations may vary from department to department, as different departments have different workplace needs. Managers are required to document and apply their department expectations to all employees under their supervision. If an employee feels that work rules are not being applied consistently to all workers, then they are encouraged to contact HR and follow the grievance procedure if he feels that the response is unsatisfactory.

Wages

- ***Starting wages for front line workers are \$10.47. In Dane County, a worker needs to earn \$14.27 to be able to afford a one bedroom apartment, according to the National Low Income Housing Coalition.***

Starting wages at Willy Street Co-op for entry level positions are currently \$10.48. As of the end of fiscal year 2014 (June 29, 2014), the average hourly wage actually paid out to all staff was \$14.27. Please see below to find out more about how starting wages are determined using the Cooperative Grocers' Network Living Wage Model. The statistic cited in this brochure comes from a spreadsheet that can be downloaded from the NLIHC Out of Reach report for Wisconsin at nlihc.org/oor/2014/WI. Affordable rent is defined as not spending more than 30% of gross income on rent and utilities. We were unable to readily determine if other possible out-of-pocket expenses, conditions, or workplace benefits were factored into the NLIHC calculation.

- ***Willy Street pay is less than peer stores. They pay slightly below the median wage for co-ops nationally.***

This is false. Our co-op is categorized by the National Cooperative Grocers' Association (NCGA) and CoopMetrics as an "extra-large co-op." Our total personnel expenses are quite a bit higher than the average "extra-large co-op" at present. In Fiscal Year 2014, total personnel expenses as a percent of sales were 26.2% compared with the average at other extra-large co-ops of 24.4%. More specifically, wages as a percent of sales were at 18.6% compared with the others at 17.2%. Taxes and benefits were also higher than our extra-large co-op counterparts, coming in at 7.3% of sales instead of the national average of 6.2%.

With regard to median wages, NCGA did a study of all 128 of their member grocery cooperatives nationwide (regardless of size) showing average wages for three major job categories: cashiers, stockers, and food prep workers. This is not reflective of starting wage, but rather, average wage. The table on the next page is a comparison of the average wage in their report and the median of the pay range for those positions at our Co-op.

POSITION TYPE	NCGA NATIONAL AVERAGE	WILLY STREET CO-OP MEDIAN WITHIN PAY RANGE
Food Prep Worker	\$10.94	\$12.50 (averaging the following position pay ranges: Kitchen Assistant, Cook, Deli Cook, Bakers)
Stocker	\$11.09	\$12.03
Cashier	\$10.66	\$12.03

This study can be found at

www.uwcc.wisc.edu/pdf/Healthy_Foods_Healthy_Communities.pdf.

Our FY 2015 pay ranges for all positions available average \$16.14-\$20.98, with the median at \$18.56. As of the end of FY 2014, the average hourly wage actually paid out to all staff was \$14.27.

- ***Two-tier wages were introduced a few years ago. The Co-op lowered their starting wage, and though they do honor the “living wage” set by a national co-op grocery group, this is lower than Madison’s city Living Wage (\$12.62 for 2015).***

The Co-op is unaware of any system called “two-tier wages.” Since as far back as FY 1991, the Co-op has never lowered the starting wage. The chart below is a record of starting wage changes since that time:

YEAR	STARTING WAGE	YEAR	STARTING WAGE
FY 1991	\$4.25	FY 2004	\$8.55
FY 1996	\$5.00	FY 2005	\$8.70
FY 1998	\$5.50	FY 2006	\$8.95
FY 1999	\$5.85	FY 2007	\$9.13
FY 2000	\$6.35	FY 2008	\$9.27
FY 2001	\$6.55	FY 2010	\$9.69
FY 2001	\$6.75	FY 2012	\$10.00
FY 2002	\$7.25	FY 2014	\$10.30
FY 2003	\$8.15	FY 2015	\$10.48

The Co-op started using the Dane County Living Wage in FY 2005, and changed to using the Cooperative Grocers’ Network living wage calculation in FY 2007. The primary reason behind the transition is that the Dane County Living Wage does not factor benefits that an employer may be paying to staff. The City of Madison Living Wage has never been part of our wage determinations, also does not factor in employee benefits, and our cooperative is not limited to the City of Madison alone. Both the County and City Living Wage calculations are meant to be a standard specific to their public

employees and the businesses who contract with the County or City. The CGN Living Wage is a model used by a number of grocery co-ops across the country. It uses local (Madison, Middleton, Dane County) cost of living data, what we pay for employee benefits, and what is out-of-pocket for the employee to annually calculate the CGN Living Wage. CGN's Living Wage Model allows us to account for our metro area: the fair market rent for one-half of a two bedroom apartment, food costs using the USDA Moderate Cost Plan, any healthcare premiums and out-of-pocket medical expenses, transportation costs, monthly basic phone service, expenses for personal care products and entertainment, liquid personal savings per month, retirement savings per month, sales and income taxes, pre-tax income, and non-wage income provided by the employer: healthcare premiums, retirement, staff discount, transportation subsidies, and the tax savings from FSA accounts.

Cooperative Grocers' Network Living Wage Model: www.cooperativegrocer.coop/node/38025

Dane County Living Wage: www.danepurchasing.com/living_wage.aspx

City of Madison Living Wage:

www.cityofmadison.com/dpced/communitydevelopment/funding/living-wage/125/

- ***Workers can go many years without a raise.***

Each position at the Co-op is assigned a pay range, and the calculation used to determine pay ranges was established by and is controlled by our Employee Council. The Personnel Manual stipulates that "No employee's hourly rate can exceed their pay range." Some employees who hold the same position for a long period of time may reach the top of their pay range, and at that point, unless the pay range changes, or they are hired to another position with a wage within a different pay range, they are no longer eligible for merit increases. However, according to Board Policy B1: Staff Relations, Compensation, and Benefits Policy, the GM may not fail to "strive to give staff a cost-of-living adjustment no less than every other year." Our current GM, at least within the last decade, has awarded COLA (Cost of Living Adjustment) raises to all staff in addition to merit increases and regardless of whether an employee is at the top of their pay range every single year except one.

Is Co-op Management observing neutrality toward the workers' union decisions? Here are some of the problems we have heard from workers:

- ***Staff who are ineligible to participate in the union vote - and do not stand to benefit directly - have repeatedly made statements hostile to the union in all-staff meetings, on the intranet, and elsewhere. The internal intranet electronic bulletin board has been flooded with negative comments about the union.***

Eligibility to participate in the UFCW Local 1473 vote does not indicate or reflect how people in our organization may be impacted by changes in workplace structure. It is natural for all employees to want to know, and also to have opinions about, what working with UFCW Local 1473, regardless of how many people they represent, will mean for how we all work together moving forward. The National Labor Relations Act allows "the expressing of any views,

argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form... if such expression contains no threat of reprisal or force or promise of benefit." We have upheld, and will continue to uphold, the spirit of this right for all employees who are not bound by the neutrality agreement made with the Board.

Our Free Speech provisions in our Personnel Manual stipulate that "Employees have the right to express their political, religious and other beliefs and engage in related activities on their own time as long as they make it clear that they are not speaking for WSGC. Employees may constructively question and criticize Board and management decisions, using established channels, without fear of reprisals."

Our Personnel Manual also stipulates the right to Employee Participation, "Employees have the right to prior notification of decisions affecting their job descriptions and the right to participate in those decisions. Employees have the right to use established channels to contribute ideas to, and be informed of major decisions affecting all employees of the Co-op." EggieBuzz (our electronic bulletin board) is perhaps the best example of those rights in action, where people have always been free to express themselves however they choose whether or not they agree with certain Co-op stances and on a variety of workplace issues. All-Worker Meetings are another place where employee participation and free speech is honored.

Management's obligation to employees, the overwhelming majority of whom are also Owners, is, and always has been, to allow all voices to be heard, whether positive, negative, or neutral, pertaining to any and all issues. This is in direct correlation with Cooperative Principles 3 and 4, exercising democracy and participation. The decision for any employees to unionize or recognize the UFCW Local 1473 as their union representative is an employee decision and it is not management's job to decide which employees get to voice an opinion in favor or in dissent. In addition to negative comments regarding unionization or UFCW Local 1473 representation, there are many positive, and many questions. Management does not keep track of how many or what types of comments are made regarding workplace issues on the bulletin board or in meetings and that respect for free expression and participation extends to this discussion.

- ***Management has provided inaccurate information about the union, for example, how the workers who can vote for the union (bargaining unit) were chosen.***

Management has done its very best to provide accurate information about recognizing the UFCW Local 1473 as the employee's union representative, and has gone as far to ensure information is fair and accurate as writing a letter and two FAQs jointly signed by management and the UFCW Local 1473. With regard to information provided about selecting who was eligible to vote for UFCW Local 1473 representation, it was a negotiation. Management's position has been to keep all staff together in one bargaining unit to continue our tradition that all workers have the same rights and voice regarding their workplace. It was the UFCW Local 1473 position to have three separate bargaining units and exclude administrative staff. Management and the UFCW Local 1473 negotiated until both parties

arrived at the Off Site Kitchen being one unit and the retails being another. We agreed with the UFCW Local 1473 that the retails were different enough from the kitchen that two separate bargaining units was acceptable, but that the retails shared a vast commonality of interest. At the first All-Worker Meeting that was video recorded on 12/09/2014, General Manager Anya Firszt explained the negotiation and decision. UFCW Local 1473 representative Chad Whiteside further added that, due to movement of staff between East and West, they agreed to keep the two retails together in one unit. After the vote for recognizing the UFCW Local 1473 for union representation was cancelled by the UFCW Local 1473, they chose to file petition with the NLRB for representation of Willy West only.

- ***Supervisors have shadowed workers suspected of supporting the union, following them around the store during their shift. The result is intimidation.***

Management was notified of one incident in October of one supervisor seeming to be far too concerned with employee stances and discussions pertaining to the union, and that supervisor was addressed by management. Since then no other employees or managers have come forward with claims that supervisors have intimidated or shadowed workers who support the union.

- ***Westside workers are mostly pro-union, and yet during Westside store meetings, management video-conferenced in the Eastside store workers (even those not eligible to be in the union) to make anti-union statements. Pro-union workers from the Westside Store were not represented at the Eastside store meeting.***

This is not accurate. All claims as to which workers and which locations have opinions regarding the matter are hearsay and do not affect management decisions pertaining to how meetings are scheduled and shared.

All-Worker Meetings are defined in our Personnel Manual: "Paid All-Worker meetings are scheduled periodically, called by either the Employee Council, the GM or by petition of 2/3's of the staff. Issues that affect the entire worker body may be brought here." A joint letter was signed by our General Manager and the UFCW Local 1473 Secretary/Treasurer Grant Withers on 12/03/2014 that explicitly stated that All-Worker Meetings would be held, and at the time, both East and West were to be part of the same voting unit. Management and the UFCW Local 1473 scheduled five All-Worker Meetings with the same agenda: to provide neutral answers to questions about the vote to help employees to decide whether they would recognize UFCW Local 1473 as their union representative. This was done to allow as many workers to participate in these meetings as possible. To be even more transparent and inclusive, and to ensure any worker who wanted an opportunity to attend these meetings could attend, we utilized our video conferencing technology to allow multiple sites to participate and also video taped the first meeting in the East Community Room, as there is no video conferencing in that room and the conference room at East is too small to accommodate a large capacity of people. The objective was to spread the opportunity to become informed about what was occurring in the workplace. Workers from multiple sites

attended meetings at sites they normally didn't work in, including staff from Willy West, who physically attended the meeting at Willy East.

This effort is solely organized by community supporters and member/owners of Willy Street Co-op.

Co-op management has gotten about 35 emails, phone calls, and social media posts/tweets by Owners asking questions or expressing opinions regarding staff potentially choosing to be represented by UFCW Local 1473, and (as far as we know) we have responded to all of them within a few days of receiving them. Co-op management had not been asked by the Owners who organized this brochure to respond to the statements in this document; the Owners who asked us to respond to these comments are employees. We appreciate all Owners sharing their perspectives and allowing us to answer questions.